

Agenda
Edina Housing and Redevelopment Authority
City of Edina, Minnesota
Edina City Hall Council Chambers
Thursday, November 29, 2018
7:30 AM

- I. Call to Order
- II. Roll Call
- III. Approval of Meeting Agenda
- IV. Community Comment

During "Community Comment," the Edina Housing and Redevelopment Authority (HRA) will invite residents to share new issues or concerns that haven't been considered in the past 30 days by the HRA or which aren't slated for future consideration. Individuals must limit their comments to three minutes. The Chair may limit the number of speakers on the same issue in the interest of time and topic. Generally speaking, items that are elsewhere on today's agenda may not be addressed during Community Comment. Individuals should not expect the Chair or Commissioners to respond to their comments today. Instead the Commissioners might refer the matter to staff for consideration at a future meeting.

- V. Adoption of Consent Agenda

All agenda items listed on the consent agenda are considered routine and will be enacted by one motion. There will be no separate discussion of such items unless requested to be removed from the Consent Agenda by a Commissioner of the HRA. In such cases the item will be removed from the Consent Agenda and considered immediately following the adoption of the Consent Agenda. (Favorable rollcall vote of majority of Commissioners present to approve.)

- A. Minutes: Regular Meeting, November 15, 2018
- B. Policy Update: Tax Increment Financing
- C. Receive Payment of Claims As Per: Claims Pre-List Dated 11/21/2018 TOTAL \$703,047.90
- D. Approve 2019 HRA Meeting Schedule

- VI. Reports/Recommendations: (Favorable vote of majority of Commissioners present to approve except where noted)

- A. Acquisition of Property at 4100 W. 76th Street
- B. Appointment to Edina Housing Foundation Board

VII. Correspondence

A. Correspondence

VIII. HRA Commissioners' Comments

IX. Executive Director's Comments

X. Adjournment

The Edina Housing and Redevelopment Authority wants all participants to be comfortable being part of the public process. If you need assistance in the way of hearing amplification, an interpreter, large-print documents or something else, please call 952-927-8861 72 hours in advance of the meeting.



Edina Housing and Redevelopment
Authority
Established 1974

CITY OF EDINA
HOUSING & REDEVELOPMENT
AUTHORITY
4801 West 50th Street
Edina, MN 55424
www.edinamn.gov

Date: November 29, 2018

Agenda Item #: IV.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Minutes

From: Sharon Allison, Executive Assistant

Item Activity:
Action

Subject: Minutes: Regular Meeting, November 15, 2018

ACTION REQUESTED:

Approve the November 15, 2018, regular meeting minutes of the HRA.

INTRODUCTION:

ATTACHMENTS:

HRA Regular Meeting Minutes

**MINUTES
OF REGULAR MEETING
OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY
NOVEMBER 15, 2018
7:30 A.M.**

I. CALL TO ORDER

Chair Hovland called the HRA meeting to order at 7:32 a.m.

II. ROLL CALL

Answering rollcall were Commissioners Fischer, Staunton, Chair Hovland, Brindle, and Stewart.

III. APPROVAL OF MEETING AGENDA

Motion made by Commissioner Brindle seconded by Commissioner Fischer approving the Meeting Agenda.

Ayes: Fischer, Staunton, Hovland, Brindle, Stewart

Motion carried.

IV. COMMUNITY COMMENT – None.

V. CONSENT AGENDA ADOPTED

Motion made by Commissioner Brindle seconded by Commissioner Fischer approving the consent agenda.

V.A. Minutes of October 25, 2018, Regular and Work Session.

V.B. Receive Payment of Claims as per Claims Pre-List Dated Nov. 9, 2018 Totaling \$1,054,114.41.

V.B. Release Agreement between Edina HRA and Shaner Edina, LLC.

VI. REPORTS/RECOMMENDATIONS – (Favorable vote of majority of HRA Board Members present to approve except where noted).

VI.A. RESOLUTION 2018-11 ESTABLISHING WEST 76TH STREET TAX INCREMENT FINANCING (TIF) DISTRICT AND MODIFY SOUTHDALE 2 TAX INCREMENT FINANCING PLAN

Mr. Neuendorf explained that establishing the West 76th Street TIF district would support redevelopment of 4100 West 76th Street with approximately 80 affordably-priced rental units by Aeon and, modification of the Southdale 2 TIF was necessary to include the new West 76th Street TIF district and allow for pooling of funds to support affordable housing in the city. He said this was a step towards fulfilling the pledge that was made to Aeon in early 2018 for TIF support. A public hearing is scheduled for Nov. 20 for final approval by the City Council. Mr. Neuendorf answered questions of the HRA.

Motion by Commissioner Staunton seconded by Commissioner Brindle approving Resolution No. 2018-11 adopting a modification to the redevelopment plan for the Southeast Edina Redevelopment project area, adopting a modification to the tax increment financing plan for the Southdale 2 Tax Increment Financing District, establishing the West 76th Street Tax Increment Financing District and adopting a tax increment financing plan.

Ayes: Fischer, Staunton, Hovland, Brindle, Stewart

Motion carried.

VI.B. FAIR HOUSING POLICY

Ms. Hawkinson introduced the Fair Housing Policy. Ms. Hawkinson said as the City advanced its commitment to inclusion and equity, the Fair Housing Policy would help to further the goal of creating a vibrant, safe and healthy community where all residents thrived. The Policy would be presented to the City Council later for approval. Ms. Hawkinson answered questions of the HRA.

VII. CORRESPONDENCE – None.

VIII. HRA COMMISSIONERS' COMMENTS - Received

IX. EXECUTIVE DIRECTOR'S COMMENTS - Received

X. ADJOURNMENT

There being no further business on the HRA Agenda, Chair Hovland declared the meeting adjourned at 8:30 a.m.

Respectfully submitted,

Scott Neal, Executive Director



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Date: November 29, 2018

Agenda Item #: IV.B.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Bill Neuendorf, Economic Development Manager

Item Activity:
Information

Subject: Policy Update: Tax Increment Financing

ACTION REQUESTED:

No action requested; for information only.

INTRODUCTION:

This discussion item pertains to the use of Tax Increment Financing (TIF) in Edina. The City last adopted a TIF Policy in 2011. While the City uses public finance tools like TIF sparingly, staff recommends that the policy be updated to better reflect conditions by which the City is willing to use public financing.

Staff has compiled similar policies from several neighboring communities and is also reviewing best practice standards. In the weeks ahead, staff will prepare a brief presentation and seek direction as an updated policy is prepared in 2019.



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Date: November 29, 2018

Agenda Item #: IV.C.

To: Chair & Commissioners of the Edina HRA

Item Type:
Claims

From: Don Uram, Finance Director

Item Activity:
Action

Subject: Receive Payment of Claims As Per: Claims Pre-List
Dated 11/21/2018 TOTAL \$703,047.90

ACTION REQUESTED:
Approve claims for payment.

INTRODUCTION:
Claim information for approval is attached.

ATTACHMENTS:

Claims Pre List Dated 11/21/2018 TOTAL: \$703,047.90

Page - 1

Amount	Supplier / Explanation	PO#	Doc No	Inv No	BU	Obj	Sub	Subledger	Account Description	BU Description	Co	Dept	Div
	102372 CDW GOVERNMENT INC.												
6,960.80	SWITCH FOR PARKING RAMP		475814	46016	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14	
6,960.80													
	102146 JESSEN PRESS INC.												
613.00	NORTH RAMP EXP - WAYFINDING		476014	680556	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14	
613.00													
	132810 ECM PUBLISHERS INC.												
345.10	TIF DISTRICT PH		476148	646936	9210	6120			ADVERTISING LEGAL	HRA ADMINISTRATION	09210	14	
345.10													
	105417 EDINA HISTORICAL SOCIETY												
25.00	NORAMPEXP-WAYFINDING		475703	0001	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14	
25.00													
	124503 WINSUPPLY OF EDEN PRAIRIE												
34.17	EV CHARGER MATERIALS		475991	168150	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14	
34.17													
	141972 AP MIDWEST LLC												
695,069.83	NORTH RAMP EXP PAY APP #10		476387	APPL 10	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14	
695,069.83													
Report Totals		703,047.90											



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Date: November 29, 2018

Agenda Item #: IV.D.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Sharon Allison, Executive Assistant

Item Activity:
Action

Subject: Approve 2019 HRA Meeting Schedule

ACTION REQUESTED:

Motion to approve the 2019 HRA Meeting Schedule.

INTRODUCTION:
















The 2019 HRA Meeting Schedule was revised since you saw it on Nov. 15 as follows:

1. The January City Council meeting dates were changed from the 2nd and 15th to the 8th and 23rd to accommodate Councilmember Staunton's and Manager Neal's schedule. This changed the HRA meeting dates from the 10th and 24th to the 17th and 31st so that the Council and HRA meets every other week.
2. August and September: the 2nd meetings are no longer cancelled.

ATTACHMENTS:

2019 HRA Meeting Schedule

**2019 CITY OF EDINA COUNCIL AND ADVISORY COMMISSIONS
MEETINGS, HOLIDAYS, DAYS OF RELIGIOUS OBSERVANCE AND ELECTION DATES**

	Holidays		City Council		Nite to Unite		Pln Comm		Trns Comm		Pk & Rec Comm
	Indicates a religious holiday's observance			Election Day		HRA		HRA Cancel			
	HP Comm		Health Comm		Human R/R Comm		E&E Comm		Arts & Culture Comm		

JANUARY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
S	M	T	W	T	F	S
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21	22	23	24	25	26	27
28	29	30				

MAY						
S	M	T	W	T	F	S
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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE						
S	M	T	W	T	F	S
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST						
S	M	T	W	T	F	S
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25	26	27	28	29	30	31

SEPTEMBER						
S	M	T	W	T	F	S
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22	23	24	25	26	27	28
29	30					

OCTOBER						
S	M	T	W	T	F	S
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



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Date: November 29, 2018

Agenda Item #: V.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Stephanie Hawkinson, Affordable Housing
Development Manager

Item Activity:

Subject: Acquisition of Property at 4100 W. 76th Street

Action

ACTION REQUESTED:

Approve use of Southdale 2 TIF Funds to acquire 4100 W. 76th Street and direct staff to prepare a purchasing agreement for review and approval at a future HRA meeting.

INTRODUCTION:

The Twin Cities Land Bank acquired 4100 West 76th Street on behalf of Aeon on October 30, 2018 as was required by the Purchase Agreement. Interest on the \$2,900,000 purchase price is 6.5%. Aeon's proposed affordable housing development would have a lower total development cost if the HRA acquired the site. Furthermore, site acquisition at this location is an eligible use of Southdale 2 TIF funds.

ATTACHMENTS:

Affordable Housing Staff Report
Affordable Housing Site Location



Date: November 29, 2018

To: Chair and Commissioners of the Edina HRA

From: Stephanie Hawkinson, Affordable Housing Development Manager

Subject: Acquisition of Property at 4100 76th Street West

Information / Background:

On May 1, Aeon, a non-profit real estate developer, executed a purchase agreement with MRI Holdings, LLC, to acquire an aging commercial building at 4001 76th Street West. They intend to raze the existing building and construct a new affordable 4-story apartment building with underground parking.

The new building will have approximately 80 units with a combination of 1-, 2- and 3-bedroom units to serve households with incomes ranging from less than 30% of Area Median Income (AMI) to at or below 60% of AMI. Parking for residents and guests would be provided on site.

Twin Cities Land Bank acquired the property on behalf of Aeon on October 30, as required by the purchase agreement. Typically, with affordable housing developments the land is not acquired until all the financing and Low Income Housing Tax Credits are in place. In Edina, sellers generally will not agree to a purchase agreement that could extend for two years, or however long is needed to secure all the construction financing. Therefore, for the subject property, The Twin Cities Land Bank acquired the parcel on behalf of for a three year term at an annual interest rate of 6.50%.

At a rate of 6.5% on a purchase price of \$2,900,000, Aeon's interest cost will be \$15,708 per month. As the development was not awarded Low Income Housing Tax Credits in 2018, Aeon will apply again in June 2019. The earliest they could acquire the property is spring 2020. With the holding period expanded to 22 months, this interest cost will be \$345,583 (\$4,319 per unit).

Aeon is requesting that the Edina Housing and Redevelopment Authority acquire the property and enter into a purchase agreement with Aeon for two-years.

Aeon is making this request for the following reasons:

- Securing funding for a 100% affordable housing development can take multiple years, especially when the main source of financing is the highly competitive 9% Low Income Housing Tax Credits.
- Due to the competitiveness of 9% credits, it is not uncommon for a developer to apply three consecutive years. They will reapply in June 2019 with awards announced in November 2019.
- Aeon's holding costs, including interest on the acquisition loan, increases the cost on the development which could create a financing gap in the development budget.

- HRA ownership lowers the project cost because a loan is avoided to purchase the land, saving approximately \$479,476 in interest and fees.
- Aeon is not structured to maintain long term ownership of a vacant commercial building.

Source of Acquisition Funds: Southdale 2 TIF Fund**Benefits to the City/HRA:**

- Facilitates the creation of new affordable housing.
- Seeks to locate affordably-priced housing in location with good access to jobs and transit options.
- Demonstrates the commitment to create new housing that is affordably-priced.
- HRA would maintain site control if Aeon is not successful in securing the necessary financing to move forward with their proposal with the ability to seek another residential developer.
- As the HRA previously awarded the proposed development \$2,400,000, they will receive the difference of \$500,000 plus costs from Aeon.
- Demonstrates the ability of Special 2016 TIF Legislation to be effectively applied.

Risks to the City/HRA

- Use of Southdale 2 TIF funds restricts use of the land for affordable-housing.
- Investing in land involves the opportunity cost – HRA will forgo a minor amount of interest that is currently being generated by the monies.
- HRA will hold property regardless of success of Aeon's funding applications. If unfunded, the HRA will own a vacant building for a period of time, including the potential expenses and liabilities.

Previous Approvals:

HRA Resolution No. 2018-03, \$925,000 in tax increment financing to facilitate the financing of towards Aeon's proposed affordable housing development.

HRA Resolution No. 2018-04, the HRA approved \$2,400,000 in financing the development.

City Council Resolution No. 2018-57 approved the City's submission of a funding application on behalf of Aeon's proposed development to the State of Minnesota Department of Employment and Economic Development.

Planning Commission Resolution No. 2018-02 finding that the proposed development Plans for the affordable housing project proposed by Aeon is consistent with the Comprehensive Plan.

HRA Resolution No. 2018-11 establishing West 76th Street Tax Increment Financing District and Modify Southdale 2 Tax Increment Financing Plan.

Next Steps:

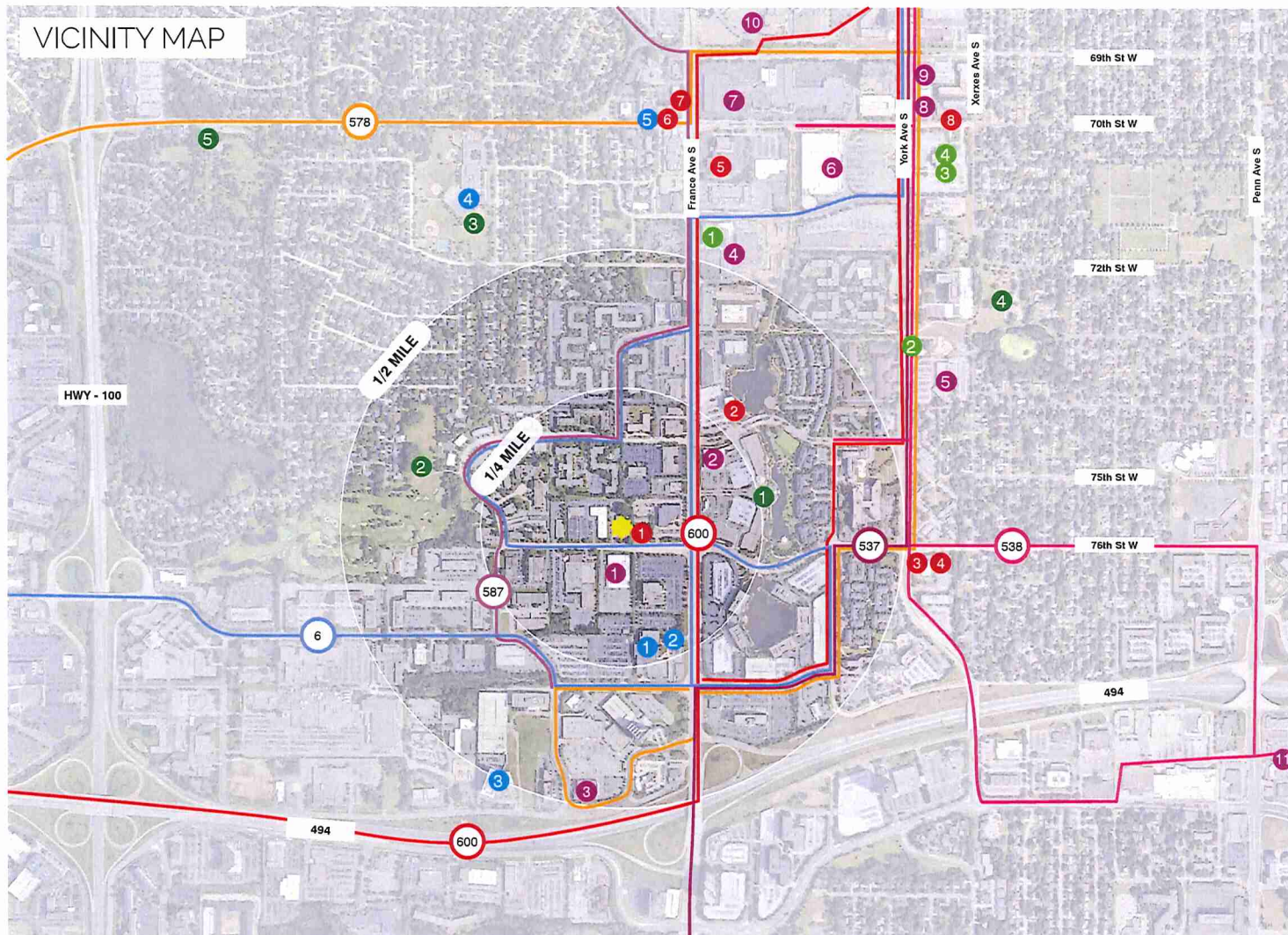
- December: HRA will review Purchase Agreement.
- February: Aeon will apply for Hennepin County funding.
- May: Hennepin County announces funding awards.
- June: Aeon will apply for Metropolitan Council and Minnesota Housing Financing
- November: Financing secured.
- June 2020: Anticipated closing with Aeon and construction start.
- Late summer 2021: Construction completed.

Staff recommends approval to use Southdale 2 TIF Funds to acquire 4100 W. 76th Street and direct staff to prepare a purchasing agreement for review and approval at a future HRA meeting.

Attachments:

- Site Plan
- Site Location

VICINITY MAP



● Parks	
1. Centennial Lakes Park.....	0.27
2. Lake Edina Park.....	0.35
3. Cornelia School Park.....	0.57
4. Adam's Hill Park.....	0.78
5. Edina Greenhouse and Arnes Acres Park.....	0.99
● Education	
1. DeVry University Edina Campus	0.22
2. Keller Graduate School of Management.....	0.22
3. Rasmussen College Bloomington Campus.....	0.49
4. Cornelia Elementary School.....	0.68
5. Kinderberry Hill Child Development Center	0.73
● Civic Facilities	
1. USPS	0.54
2. Edina Fire Station 2	0.61
3. Southdale Library	0.86
4. Hennepin County District Court.....	0.86
● Health	
1. Normandale Vet Hospital	0.03
2. Allina Health Centennial Lakes Clinic.....	0.29
3. The LASIK Vision Institute.....	0.54
4. York Dental.....	0.57
5. Edina Pediatrics.....	0.67
6. Southdale Pet Hospital.....	0.72
7. Muscala Chemical Health Clinic	0.77
8. McCannel Eye Clinic	0.95
● Shopping/Fitness/Other	
1. LA Fitness.....	0.05
2. Whole Foods Market	0.20
3. Trader Joe's	0.46
4. Lunds & Byerly's.....	0.53
5. Southdale YMCA	0.61
6. Target Super Store.....	0.76
7. Galleria Edina	0.78
8. Walgreens Pharmacy	0.95
9. CVS Pharmacy	0.97
10. Southdale Center.....	1.00
11. Southtown Shopping Center	1.20

PLANNING DEPARTMENT
AUG 27 2018
CITY OF EDINA

URBANWORKS



4100 W 76th St

EDINA, MN / 08.23.2018 / 18:05:30

VICINITY MAP

1

SITE PLAN



URBANWORKS



4100 W 76th St
EDINA, MN / 08.23.2018 / 18-0530

PLANNING DEPARTMENT

AUG 27 2018

CITY OF EDINA

0' 40'
CONCEPT SITE PLAN



URBANWORKS



4100 W 76th St
EDINA, MN / 08.23.2018 / 18-0530

PLANNING DEPARTMENT

0' 40'
CONCEPT PLAN

3

AUG 27 2018

CITY OF EDINA



URBANWORKS



4100 W 76th St
EDINA, MN / 08.23.2018 / 18-0530

PLANNING DEPARTMENT

0' 40'
CONCEPT PLAN

4

AUG 27 2018

CITY OF EDINA



AUG 27 2018

CITY OF EDINA



AUG 27 2018

CITY OF EDINA



URBANWORKS



4100 W 76th St

EDINA, MN 55425 / 08-23-2018 / 18-0530

PLANNING DEPARTMENT

AUG 27 2018

CITY OF EDINA

CONCEPT PERSPECTIVE

7

DEVELOPMENT SUMMARY: Aeon - 4100 W. 76th St. Edina

Updated 2018-08-22

DESCRIPTION	TOTAL	PARKING		RESIDENTIAL				
	Gross SF	Parking GSF	Total Parking	Residential GSF	Amenity	NLSF	Efficiency	Residential Parking
S1 Sublevel Parking	25,400	25,400	72				-	72
1 Lobby/ Amenity / Apartments	25,400		11	20,900	4,500	16,720	80%	11
2 Units	25,400			24,900	500	19,920	80%	21
3 Units	25,400			24,900	500	19,920	80%	21
4 Units	25,400			24,900	500	19,920	80%	21
	127,000	25,400	83	95,600	6,000	76,480	80%	83
	Gross SF	Parking GSF	Total Parking	Residential GSF	Amenity	NLSF	Efficiency	Residential Parking

METRICS

Site SF	87,120	SF
Site Acreage	2.00	Acres
Dwelling Units	80	DU
Dwelling Unit per Acre	40	DU/Acre
Residential Parking Ratio	1.04	Stalls/Unit
FAR	1.17	

RESIDENTIAL MIX					
Unit Type	Mix	Qty	Total Beds	Unit NLSF	Total NLSF
Studio	0%	-	-	-	-
1BR	25%	20	20	680	13,600
2BR	50%	40	80	960	38,400
3BR	25%	20	60	1,220	24,400
	100%	80	160	955	76,400

URBANWORKS



4100 W 76th St

EDINA, MN / 08.23.2018 / 18-0530

PLANNING DEPARTMENT

DEVELOPMENT SUMMARY

8

AUG 27 2018

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Date: November 29, 2018

Agenda Item #: V.B.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Scott Neal, Executive Director

Item Activity:
Action

Subject: Appointment to Edina Housing Foundation Board

ACTION REQUESTED:

Motion to appoint _____ to the Edina Housing Foundation Board to a 3-year term.

INTRODUCTION:

Commissioners Fischer and Staunton will make a recommendation to appoint a new board member to the Edina Housing Foundation.



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Date: November 29, 2018

Agenda Item #: VI.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Other

From: Sharon Allison, Executive Assistant

Item Activity:
Information

Subject: Correspondence

ACTION REQUESTED:

None.

INTRODUCTION:

There have been no correspondences since the last meeting.